

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

UNITED STATES OF AMERICA,)	
)	Case No. 18-cv-102
Plaintiff,)	
)	
v.)	
)	
MARK A. LOVELY,)	
)	
Defendant.)	
_____)	

COMPLAINT FOR FEDERAL TAXES

The United States of America brings this action at the request and with the authorization of the Chief Counsel for the Internal Revenue Service, a delegate of the Secretary of the Treasury, and at the direction of the Attorney General of the United States to reduce to judgment federal income tax assessments made against Mark A. Lovely for tax years 2000, 2003 through 2006, 2010 through 2012 and 2014, and civil penalties assessed against him for years 1999, 2000, 2003 through 2006, 2010 through 2013, 2015 and 2016.

Jurisdiction & Venue

1. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1340 and 1345 and 26 U.S.C. §§ 7401 and 7402(a).
2. Venue is proper in this district under 28 U.S.C. §§ 1391(b)(2) and 1396 because the defendant resides within the jurisdiction of this Court.

Parties

3. Plaintiff is the United States of America.

4. Defendant Mark A. Lovely is the taxpayer against whom unpaid federal income tax liabilities and civil penalties at issue in this action were assessed. Mr. Lovely resides in Kernersville, North Carolina, within the jurisdiction of this Court.

Count I- Reduce Federal Income Tax Assessments to Judgment

5. The United States incorporates paragraph 1 through 4 of this Complaint as if fully set forth herein.

6. A delegate of the Secretary of the Treasury made assessments against defendant Mark A. Lovely for federal income taxes (Form 1040) as follows:

Tax Type	Tax Period Ending	Date of Assessment	Amount of Assessment	Outstanding Balance¹ (as of 12/06/2017)
Income Form 1040	12/31/2000	03/03/2008	\$8,967	\$15,446
Income Form 1040	12/31/2003	02/25/2008	\$4,091	\$10,947
Income Form 1040	12/31/2004	03/03/2008	\$4,919	\$12,572
Income Form 1040	12/31/2005	02/25/2008	\$2,834	\$6,864
Income Form 1040	12/31/2006	02/25/2008	\$8,340	\$14,212
Income Form 1040	12/31/2010	03/10/2014	\$3,807	\$5,706
Income Form 1040	12/31/2011	03/09/2015	\$5,881	\$14,015
Income Form 1040	12/31/2012	09/28/2015	\$1,693	\$6,370
Income Form 1040	12/31/2014	06/01/2015	\$7,963	\$4,781
TOTAL				\$90,913

¹ Includes statutory interest and penalties that have accrued, and which continue to accrue, on the remaining unpaid taxes.

7. A delegate of the Secretary of the Treasury gave defendant Mark A. Lovely notice and demand for payment of the assessments described in paragraph 6.

8. Interest and penalties have accrued and will continue to accrue on the unpaid balance of the assessments set forth in paragraph 6.

9. Defendant Mark A. Lovely has failed to pay the United States the full amount of the taxes assessments described in paragraph 6.

10. On account of the assessments described in paragraph 6, defendant Mark A. Lovely is indebted to the United States in the amount of \$90,913 as of December 6, 2017, for federal income taxes plus interest and penalties that have accrued and will continue to accrue until paid.

Count II- Reduce Civil Penalty Assessments to Judgment

11. The United States incorporates paragraphs 1 through 4 of this Complaint as if fully set forth herein.

12. The defendant, Mark A. Lovely filed frivolous income tax returns. A delegate of the Secretary of the Treasury assessed civil penalties against defendant Mark A. Lovely for filing frivolous tax submissions under 26 U.S.C. §6702(a) as follows:

Penalty Type	Tax Period Ending	Date of Assessment	Amount of Assessment	Outstanding Balance² (as of 12/06/2017)
§6702A	12/31/1999	05/23/2011	\$5,000	\$12,301
§6702A	12/31/2000	06/20/2011	\$5,000	\$6,190
§6702A	12/31/2003	06/20/2011	\$5,000	\$6,190
§6702A	12/31/2004	06/20/2011	\$5,000	\$6,190
§6702A	12/31/2005	07/22/2013	\$10,000	\$11,603
§6702A	12/31/2006	06/20/2011	\$5,000	\$6,190
§6702A	12/31/2010	03/24/2014	\$5,000	\$5,682
§6702A	12/31/2011	08/11/2014	\$5,000	\$5,617

² Includes statutory interest that have accrued, and which continue to accrue, on the remaining unpaid balance.

Penalty Type	Tax Period Ending	Date of Assessment	Amount of Assessment	Outstanding Balance³ (as of 12/06/2017)
§6702A	12/31/2012	10/20/2014	\$5,000	\$5,585
§6702A	12/31/2013	07/07/2014	\$5,000	\$5,634
§6702A	12/31/2015	01/02/2017	\$5,000	\$5,189
§6702A	12/31/2016	07/24/2017	\$5,000	\$5,081
TOTAL				\$81,452

13. A delegate of the Secretary of the Treasury gave defendant Mark A. Lovely notice and demand for payment of the assessments described in paragraph 12.

14. Interest has accrued and will continue to accrue on the unpaid balance of the assessments set forth in paragraph 12.

15. The defendant Mark A. Lovely has failed to pay the United States the full amount of the civil penalty assessments described in paragraph 12.

16. On account of the assessments described in paragraph 12, the defendant Mark A. Lovely is indebted to the United States in the amount of \$81,452 as of December 6, 2017, for filing frivolous tax returns plus interest that has accrued and will continue to accrue until paid.

WHEREFORE, the United States of America requests judgment as follows:

A. As to Count I, that the Court render judgment in favor of the United States and against the defendant Mark A. Lovely, for the unpaid balance of his federal income tax liabilities relating to tax years 2000, 2003 through 2006, 2010 through 2012 and 2014, including interest and penalties in the amount of \$90,913, as of December 6, 2017, plus statutory additions to tax and interest according to law after that date until paid;

³ Includes statutory interest that have accrued, and which continue to accrue, on the remaining unpaid balance.

- B. As to Count II, that the Court render judgment in favor of the United States and against the defendant Mark A. Lovely, for the unpaid balance of the civil penalties assessed against him for filing frivolous federal tax returns for tax years 1999, 2000, 2003 through 2006, 2010 through 2013, 2015 and 2016, including interest in the amount of \$81,452, as of December 6, 2017, plus interest according to law after that date until paid
- C. That the Court award the United States its costs and expenses incurred in this action; and
- D. That the Court grant the United States such other relief as it deems just and proper.

Date: February 15, 2018

MATTHEW G.T. MARTIN
United States Attorney

RICHARD E. ZUCKERMAN
Principal Deputy Assistant Attorney General

/s/ Erin F. Darden
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CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

(b) County of Residence of First Listed Plaintiff _____
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number) _____

DEFENDANTS

County of Residence of First Listed Defendant _____
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known) _____

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
- ☐ 2 U.S. Government Defendant
- ☐ 3 Federal Question
(U.S. Government Not a Party)
- ☐ 4 Diversity
(Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	PERSONAL INJURY <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	PRISONER PETITIONS Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

V. ORIGIN (Place an "X" in One Box Only)

- ☐ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from Another District (specify) ☐ 6 Multidistrict Litigation - Transfer ☐ 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

Brief description of cause:

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ _____ CHECK YES only if demanded in complaint:
JURY DEMAND: ☐ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE _____

DOCKET NUMBER _____

DATE _____

SIGNATURE OF ATTORNEY OF RECORD _____

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
 - (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
 - (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
- United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
- Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
- Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin.** Place an "X" in one of the seven boxes.
- Original Proceedings. (1) Cases which originate in the United States district courts.
- Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.
- Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
- Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
- Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
- Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
- Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.
- PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7.** Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
- Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
- Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.